

A nonprofit organization which is formed to promote public appreciation of group harmony singing and to educate its members and the general public in this type of music is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

Advice has been requested whether a nonprofit organization which is organized and operated to encourage group harmony singing may qualify for exemption under section 501(c)(3) of the Internal Revenue Code of 1954.

The purposes of the organization are to perpetuate group harmony singing and to educate its members and the general public in their appreciation of this type of music.

The organization's activities consist of frequent meetings of members where they receive training and instruction in vocal harmony and opportunities to practice under trained supervision. The members perform free of charge at local community institutions such as veterans' hospitals. Once each year the organization conducts a public concert at which an admission fee is charged, and the members perform without compensation. The organization's principal source of revenue is the annual public concert. Its expenditures are in connection with expenses of the concert such as theater rentals, scenery and costume rentals, rentals of meeting places, purchases of musical materials and remission of dues to affiliated organizations.

Section 501(c)(3) of the Code provides in part for the exemption from Federal income tax of corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Organizations such as symphony orchestras and theatrical groups may be exempt from Federal income tax as educational or charitable organizations under section 501(c)(3) of the Code. See example (4) of section 1.501(c)(3)-1(d)(3)(ii) of the Income Tax Regulations and Revenue Ruling 64-175, C.B. 1964-1 (Part 1), 185.

See also Revenue Ruling 65-270, C.B. 1965-2, 160; and Revenue Ruling 65-271, C.B. 1965-2, 161. An organization formed to promote group harmony singing falls in the same general category of organizations designed to increase public appreciation of the arts. The methods used by the organization in educating its members and the general public are appropriate to an educational organization under section 501(c)(3) of the Code. Accordingly, the organization is exempt from Federal income tax under section 501(c)(3) of the Code.

An organization which considers itself to be within the scope of this Revenue Ruling must, in order to establish its exemption

under section 501(c)(3) of the Code, file an application on Form 1023, Exemption Application, with the District Director for the Internal Revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.